GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:2
ANSWERED ON:02.02.2017
Fund to PRIS
Kashyap Shri Virender

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether many States stopped the practice of keeping funds at the disposal of Block Development Committee/Zilla Parishad (BDC/ZP) members after 14th Finance Commission award and if so, the details thereof and the reasons therefor; and
(b) whether the Union Government proposes to advice such States to restart the practice of keeping funds at their (BDC/ZP members) disposal, if so, the details thereof?

Answer

(a): The Fourteenth Finance Commission (FFC) has recommended grants to the tune of Rs.2, 00,292.20 crore for the award period from 2015 to 2020 to be devolved only to Gram Panchayats (GPs) constituted under Part IX of the Constitution, for delivering basic services, creation of reliable data base of local bodies' receipts & expenditure through audited accounts and for improvement of own source revenue of GPs. The FFC has not recommended any share for other two levels. The Government has accepted the recommendations and funds are being devolved accordingly.
(b): The FFC has, inter alia, also observed that the State Governments are expected to take care of the needs of the Taluk and Zila Panchayats. It is, therefore, incumbent upon the State Governments to utilize the enhanced fiscal space made available by the FFC on account of higher devolution from 32% to 42% of the Centre's net tax receipts to meet such requirements. The Ministry of Panchayati Raj has reiterated the recommendations of the FFC and views of the Ministry of Finance to the State Governments for providing adequate funds to other two levels of Panchayats